

CLEAR CREEK COMMUNITY SERVICES DISTRICT

Board of Directors, Johanna Trenerry – Chairwoman, Irwin Fust – Vice-Chairman,
Virginia Bassham – Director, Mark Engel – Director, Murray Miller – Director
5880 Oak Street, Happy Valley, CA 96007
Phone: (530) 357-2121 Fax: (530) 357-3723

REGULAR MEETING

Wednesday, March 17th at 9:00 AM

District Office - 5880 Oak Street Anderson, CA 96007

Due to COVID-19 the Board of Directors meeting will be held via Zoom (video) or telephone conference and will be available for the public to attend. We have established an entry point for log in and attendance. In your web browser type in <https://zoom.us/> and in the upper right of the screen click on “join a meeting”. When the next page opens enter the meeting ID number 309 792 2136 in the field meeting ID. Click the blue box below the meeting ID after entering the ID number.

The next screen will allow the user to enter the password. That password is 5zY2c1. It is case sensitive. The next prompt will have you wait for the host to bring you into the meeting. For those who would rather place a telephone call the dial in number is 415-762-9988, password: 892752# and follow the prompts to join the meeting.

MINUTES

DIRECTORS: Johanna Trenerry, Irwin Fust, Virginia Bassham, Mark Engel and Murray Miller

STAFF: Kurt Born, Bill Palmaymesa and Kristen Thomas

AUDIENCE: Beverly Fickes, Dennis Possehn, Cedric Twight, Terry, Donna Possehn, Tammy Cole, Johnathan Bank, Nora Wilson, Sandy Winters, John Moore, Scott and Sara L.

CALL TO ORDER: The meeting was called to order at 9:00 AM

PLEDGE OF ALLEGIANCE: Chairwoman Trenerry led the Pledge of Allegiance.

OPEN TIME: Chairwoman Trenerry advised that Direct Mark Engel wished to speak.

Director Engel stated it has come to the attention of the Board that there have been some derogatory remarks made towards staff over on social media and perhaps another venue as well. I’m not going to go into detail here. I did not really research it to find out who said what, I just want to encourage people to behave civilly and remind everyone that there is no them and us, it’s just us. Roughly half of the staff members are also customers. All of your Board Members are customers of this District and of course, as are you. We all have a vested interest in what happens here, getting it done and getting it done well. I would encourage you to temper your remarks and perhaps encourage your community members to do the same. Let’s keep it civil folks. Working together we can get this done and get it done a lot faster.

Chairwoman Trenerry stated that she also requested to be on. Mark, I am dedicating this to you because of what you said two meetings ago. Mark Twain said “whiskey is for drinking; water is for fighting. The fight will continue as long as water is allocated by politicians instead of the market.” That was included in what you sent to us. The market should control it. Thank you for that.

CONSENT/AGENDA: A motion was made by Vice Chairman Fust and seconded by Director Miller to approve the minutes of February 17th, 2020, paid bills dated 2/25/2021 and 3/10/2021 totaling \$116,619.05. Motion was voted on and approved. Director Engel advised that he abstains because he was not present at the last board meeting.

Ayes: 4 Noes: 0 Absent: 0 Abstain: 1

OLD BUSINESS:

None

NEW BUSINESS:

Election of Officers: Director Engel stated I would recommend that we continue with the executive staff as we have in the past assuming that you and Vice Chairman Fust are both willing to continue. Chairwoman Trenerry states that she accepts. Director Bassham seconds the motion. It was voted on and unanimously approved.

Ayes: 5 Noes: 0 Absent: 0 Abstain: 0

Committee Appointments: Chairwoman Trenerry stated of course, executive would be Irwin and me. For finances; Virginia I would like you and Mark to be on that committee. The legislative; I was going to ask Irwin and Murray to be on that. Personnel would be Virginia and myself. The ACWA; Mark, we would like you to keep doing that since you have your foot in the door. Agriculture; I am asking Murray to be with me on the agriculture committee. The Steering committee is all of the Directors. Can I have an affirmative appointment for that please?

Director Engel advised that he is not sure that he would be the best for the finance committee. We have touched on it before but it is not really my area. If that is the vote of the Board, then I accept it but perhaps there is a better choice. Director Bassham states I disagree Mark, I think that you bring a lot to the table. Chairwoman Trenerry agreed and states I think you do too, Mark. When you made the suggestion of how it should be based, you hit it right on the nail and that's why I thought about you being on it. You will dig and come up with ideas. Director Bassham agreed and added-and you came up with a great rate study. Chairwoman asked Director Engel if he accepts? He stated yes, I will.

Director Miller stated just to clarify Madam Chairwoman, you suggested legislative and ACWA for me?

Chairwoman Trenerry stated yes and agriculture. Director Miller advised that he resonates with legislative one, I'm just not as familiar I know what Mark has been presenting with the ACWA so I'm not sure if we need two people on there. Chairwoman stated that is ok, it was just in case something came up you could take his place. I really want you to work with me on agriculture because when you applied for the job, I think you had a good interest in agriculture, so I want to pursue some of the thoughts that you were thinking of, ok? Director Miller stated yeah, let's give it a go.

Chairwoman Trenerry asked if she could have a motion to accept?

Director Bassham stated she makes a motion to accept the assignments that Chairwoman Trenerry proposed. Vice Chairman Fust seconded the motion. It was voted on and unanimously approved.

Ayes: 5 Noes:0 Absent: 0 Abstain: 0

CAC Report: There were no members of the Community Advisory Committee that wished to speak.

USBR Water Allocations – Ordinance 2021-3: General Manager Born advised that he would like to bring folks up to speed. The odds of Reclamation improving the current allocation does still exist, it could still get better however, it does not look like it. We will have to pump water, that water is going to be more expensive than it was last the time we pumped. You are looking at a little over \$300.00 an acre-foot to pump water now. I do not know any other way to get through this season, especially with the fire protection that is needed for the individual homes. 1898 acre-feet is squat. We do not have a lot to deal with and it is going to be a really tough year. This kind of reminds me of history repeating itself from 2014/2015 when we were faced with the 541 foot allocation, which was even worse. We bought water, we pumped water and we treated water that year and it was an expensive year. This year looks like it could be exactly the same way unless things improve, except for the fact we will not be buying water unless it becomes available to us and whether or not reclamation improves the allocation. At this point, because we have been handed the 55% and 5%, we, by drought policy, have to enact the stage four of the plan to get this place and start

getting the word out.

Mr. Fust asked General Manager Born if there is any water out there for sale that you know of? Is the McConnell Foundation still offering water for sale? General Manager stated depending upon the results of today's meeting, I'm going to send Jeff Swanson, the attorney for McConnell, an email after our meeting and depending upon what happens here, I don't want to hold anything until we know exactly what we are doing. The problem is when you do the McConnell water, it is a take or pay, which means you pay for it whether you use it or not and at the price they are selling their water for, which is \$250.00 and acre-foot, you better be sure you need it before you buy it. We were stuck with that once during the second time we bought water from them in 2015 and then Reclamation came back and said, oh by the way your allocation is good and you have all the water you need but because we had a contract with McConnell, McConnell would not forgive that. I sent them a letter requesting forgiveness and they basically told me no, you signed the contract so we are not going to give you forgiveness but we will give you all of the water that we have remaining for the year. It did help us to defray and offset some of those costs, not entirely but to a certain point. We spent hundreds of thousands of dollars buying water for this District back when the allocation was just nothing. We may be heading back there again this year, I do not know. I am also going to send an email down to one of the other Managers that I know down at OAWD. He has indicated to me in the past that they have had water for sale, not under these extreme conditions but he is still a resource worth contacting to see if we can get anything from them if we need it. Vice Chairman Fust advised that the determination as to whether to buy water from McConnell and how much to buy will kind of revolve around how much we anticipate using in the District in the year. Right now you have a little less than 2000 acre-feet of water available to you from the Bureau of Reclamation and we know that if we pump water from our wells, it's going to cost us even more than buying it from McConnell but if we were to buy approximately 500 acre-feet of water and then use the wells to pump during the hotter part of the year, we might be able to make it but the problem is that I don't think our rate structure will be able to handle that. We will still be losing money. We are going to have to do something with the rate structure to number one: get the rates up where they belong in a normal year and then get the rates up where they need to be in order to be able to get through this drought year. It is a double whammy. General Manager Born stated yeah, this has really compounded the issue. This drought is going to really cause problems. It is going to make doing business a lot harder to do. With drought you have fewer sales, lesser sales mean a reduction of revenue. It will be a significant reduction in revenue because of the amount of water that they have allocated to us. It is going to be a tough year. Mr. Fust suggested that he thinks it would be worthwhile to contact McConnell to find out if they have water available, how much they have available, how much they are willing to sell us and what kind of price. General Manager Born advised that he will do that. Mr. Born also stated Reclamation has come back to us in the past both in April and in May and have actually improved allocation, for us to make a commitment now would be too soon I think but then again if we hold off and hope for the best, what happens if the allocation gets worse and the price goes up? Another thing I have been thinking about is screw Reclamation and let's just use the water. Back in 2015 when we had 541 acre-feet I told Reclamation forget it, we are not going to do this. I told them we are going to use what we need to use and they told me no, you are not going to do that. I asked what are you going to do, shut the valves off? They said no, we do not do that. What they will force us to do is to go out and buy water if we use more than our allocation permits. My thinking is and it is just something for consideration, if they make us go out after the fact and buy water, maybe that is not such a bad thing. If we use more than we are allocated and they just say; well, now you are going to have to make it up. Then we go out and buy the water that they say that we have to make up but not until we absolutely know that we needed it and used it. Right now, the plan is to continue using our surface water from the lake. We use the good water first then if we have to fall back on the well water then we will do that. I just don't know that we will need to yet and I just wonder if we just tell them forget it, we are going to do what we need to do. Director Engel stated that Mr. Born brings up a good point and was thinking the same thing. He also states in fact I remember 2018 and I remember the cost of water from McConnell was the same at that time as the cost of pumping the water, why didn't we just pump it? Now we (technical difficulties took place) General Manager Born stated, Department of Water Resources who has control over the water in California even over Bureau of Reclamation again this year is going to be pushing thousands of acre-feet down Clear Creek. Thousands of acre-feet and they gave us 1898 but yet 13 fish get up to like 7,000 acre-feet in a very short period of time and we get 1898 in a year for 8,000 customers. It is not right. Vice Chairman Fust stated, no it is not right, that's the situation we went through in the last drought. While we got 541 acre-feet, the fish down Clear Creek got 7,000 acre feet and we protested that and we visited all of our representatives and nothing changed. As a matter of fact, if you follow the Clear Creek Technical Team they are getting prepared to send more water down Clear Creek this year because they have the right to do it because they have this biological opinion that was done several years ago that allows them to do it. We cannot seem to get it through the heads of our representatives and turn that around. General Manager states that is where I'm thinking maybe we should be conservative and use what we need to use and when they tell us

alright well now how are you going to pay us back? We will have to pay them later or something along those lines. I don't think they have ever been challenged to that extent. Chairwoman Trenerry states, that there is an action group called the Northern California Water Association and I'm just wondering if we should join that group and find out how we can get our water for us instead of sending it all down to southern CA or out of the Bay. Anyways, I am just expressing a feeling because I think we have to get involved politically and that is why I put you and Murray on that legislative committee because you are involved. Vice Chairman Fust stated, I do believe we do need to go visit our legislators again this year, I don't know if it will do any good or not, it didn't do any good last time but we need to be at their door step and talking to them. Chairwoman Trenerry stated, I will be honest with you, I called Brian Dahle and asked to have a meeting with him about this situation and I haven't heard back from him yet but if you are interested and you want to go with me, I will give you a call. Vice Chairman Fust stated, we should all go. General Manager Born advised that the problem is you can talk until you are blue in the face and it makes no difference apparently, just from previous experience. Aside from just taking a stand and using what we know we need to use, we have tried everything. Mr. Fust advised I am for trying it your way. General Manager asked Vice Chairman, you like my way? Vice Chairman Fust stated, yeah sure why not. What else can we do? We cannot deprive people of water and we have to sell the water in order to make the bill payments. We are caught in the middle of a rock and a hard place so to speak. What do we do in a case like that? We need to keep the District solvent and we need to sell water to people who need water. General Manager stated, absolutely, at this point I just think we need to take a different approach because we have tried doing it their way. On the last two droughts we have tried doing it their way and we tried to ask for them to make it a little more equal between the fish and the people and they don't even want to do that. It is not right at all.

Audience member Cedric Twight comments, regarding the WIIN Act (inaudible) I think the District is vulnerable relative to approach Skips suggesting where we use the water and we may or we may not pay it back, especially when we are in arrears with the WIIN Act. We haven't even executed that contract and when (inaudible) rolls around at some point they can say you had your opportunity, its no longer December 2020 were going to cancel your contract and we will then have you under our thumb in a more substantial way. I think we are soft peddling that WIIN Act payment to our detriment. I think I would echo Dennis Possehn's suggestion that we write them a letter and explain to them that we are fully aware of our commitment and that we are working on a rate adjustment to execute the contract. I think raising the drought issue is important. (inaudible) General Manager Born stated, Cedric, I have already talked with Ryan Everest at Reclamation and informed them of our current situation, told them we are working on it, told them we have some Prop 218 rate structures that we are trying to put in place. Reclamation knows that we are working on it. I did inform them of it. They said well you are late and I said yeah well I know it but we are working on it so they have been informed. Mr. Twight stated, (inaudible) I think the Board should send letters, you need to have this stuff memorialized to the extent that it helps us. Conversations on the phone, I'm not entirely sure those are effective. General Manager Born advised typically I will always follow up my conversations with a letter memorializing it. He told me there is a letter in the mail so I'm waiting for that to come in so I can respond both to him and the letter in writing to let him know where we stand.

Cedric Twight stated, back to the drought ordinance, I know we are not trying to scare the customers (inaudible). If you do a quick calculation on the .71 cents for ag water, 250 dollars an-acre-foot .57 cents without treatment so that makes .13 cents, it costs .11 cents to treat it, that is .2 cents so if our expectation is to have a rate that covers and keeps the District whole to the extent that it can, this rate structure is misleading the customers as to what the District really (inaudible) if there is no rush to pass this particular ordinance, lets get the 218 rates adjusted and then the drought ordinance can be on top of that because first we have to reset the customers understanding of what it costs to run the District (inaudible). Vice Chairman Fust stated, that Cedric is correct in that the amounts anticipated in the ordinance that we are looking at today do not necessarily cover the cost of operation in a drought today so the amounts that are in there would have to be adjusted somehow, Taking that into consideration the way it stands right now we have a drought ordinance that is in effect right now, the stage one, we certainly are not in a stage one now, we are in a stage four and we have to do something to get us out of a stage one and into a more restrictive. I would suggest that the best way to go is to adopt this ordinance now at this moment and then adjust it later which can be done once a rate increase is put into place. That is just my thought on it. This whole conversation has been disjointed by the technology that we are using.

Beverly Fickes stated, there are actually two ordinances, when I pulled it up the Thursday night it showed .67 cents for ag and now the new one shows .71 cents for ag so it is a little different. What I don't understand, maybe I am reading it incorrectly, the domestic rate there is no additional charge so it didn't increase per cubic feet they only get an excess charge of \$2.00. Other than having to pay for the first 200 cubic ft. for ag people, if you take a look at B. V it says that there would be an excess charge if you go over 50% and it says it is in section C, if you go to section C there is no mention of V, it shows B I-III and IV, so I just don't know what the additional excess charge

is for the ag customer is they go over their base (inaudible). General Manager stated, the excess charge for the ag customers, their water starts out right at the beginning .67 cents per one hundred, they are being dinged immediately right off the top, when they get over their 50 % allocation from 2019 then they jump up to the .83 cents per one hundred cubic feet just to slow the use down. Beverly stated, it does not say that though Skip, that's what was confusing. It also says in B. V that all usage above will be charged .71 cents in addition to the excess charge so it makes it sound like it is \$1.54 and that is the scary part. So, because it says in addition to that, you are going to have to pay more, so you will be charged the .83 cents. General Manager stated, yes, that is correct Beverly, the deal is to get the people not to use water and the quickest way to that is to hit them in the pocketbook unfortunately. When they see that they will be paying the .67 cents plus the .83 cents it gives you a moment to pause and say, ok do I really need to put that water down? As it sits right now, we do not have any water. People have to conserve and we have no choices. That is why I am taking a stand against Reclamation and Department of Fish and Wildlife, the heck with those people, let's use what we have to use and get beyond this but we have to have something in place also that shows that we are trying to comply with the State and with the Feds on doing this stupid thing. Vice Chairman Fust stated so the correction would be in C under the excess use charges, the third paragraph would read customers as described in B. III, IV and V. General Manager stated, yes, so we need to add V in there. Vice Chairman Fust stated, Madam Chairman, I know things are all haywire but we still really have to do this as a public hearing so you have to open a public hearing. Director Miller stated, (inaudible). Vice Chairman Fust stated, you are right, item D on the agenda should have mentioned public hearing.

Audience member Dennis Possehn stated, I'm wondering why the Ordinance, the price of the Agriculture water jumps up to .71 cents but the M&I stays the same? I don't quite understand that. General Manger Born replied by stating, the M&I people get 55% of their water so, the way that I figured it was they will get 55% of their 2019 use and then anything over that is when they start paying the \$2.00 per one-hundred-acre foot. If they can stay below that 50% from 2019 then they will pay the same rates as they are paying now because that water that we are getting typically, the M&I customers are getting that surface water that we are paying the same price for today. Mr. Possehn stated that he has a second short statement, I think possibly it would be good if the District or a customer sits on that group. Vice Chairman Fust stated that we have been invited to be a part of that group (Clear Creek Technical Team), we are not a voting member of that group. Skip and I have been to their meetings in the past, General Manager stated yes, we have, I received an email awhile back asking if I was still interest in receiving all of the data that they release, I said yes, absolutely I need to see everything that is going on. We are still on their mailing list but I have not been to one of their meetings since the last drought but I do still get stuff from them and they are going to dump water again this year. I also asked another staff member here to write to Mr. Matt Brown down in Red Bluff who works for DWR and ask them what their plans are as far as water conservation and how much they plan on cutting back because we are cut back, so how much do you plan to cut back DWR? To which they have not responded yet. Vice Chairman stated, just to bring everyone up to date on this situation when it happened the last time, there was a lot of protesting going on and Skip and I went to those meetings and we listened to them and told them about our concerns regarding that (inaudible) and kept right on going and dumped 7,000 acre-feet of water down Clear Creek. I also get those emails from Clear Creek Technical Team and it looks like they are going toward the same thing this year.

Audience member Cedric Twight stated, the edits you all made to C, last paragraph (inaudible)I don't know how that works, when you read B. IV, for example, (inaudible) related to customers that don't have an established 2019 usage, (inaudible) and it is residential and agriculture that don't have that 2019, if I am reading it correctly, they get 58 gallons per day per person, 4 people that is 2.3 HCF before they then shift to alternate excess use rates, which are \$2.00 for residential and \$1.53 for agriculture. If new agriculture is restricted, I think that paragraph under IV should strike 'and agricultural customers', it should be residential customer and I also think that C, third paragraph should not include IV, should only include V because then it says, then the new residential customer would only get the 2.5 HCF per month before they went to the \$2.00 rate. I do not know how you can have a new ag customer come on with 2.58 before they go (inaudible) I am confused at how those two come together. I would suggest (inaudible). Manger Born stated, I am hearing part of things and not other things, it's a struggle.

Auditor Services – Request for Qualifications: Vice chairman Fust stated that he asked to put this on the agenda. He goes on to state, I have had discussions about this through the Advisory Committee, we have discovered with the help of a CPA that we have some problems with the way we do our activity reports and the way the auditor looks at our finances. Somethings have been missed and brings to mind that maybe it is time to take a look at going out for a request for proposals for another auditor to take a look at our books and get a fresh set of eyes on what we are doing. Especially at these times when we need every nickel that we can get and need it in the proper place. I am asking that

the Board consider going out for a request for proposal for an auditor and of course, the present auditor can put in a request for proposal as well but my hope is that we will get several other auditors that have done work with water districts in the past and we will be able to choose from them. I understand that the 2020 audit is going on right now or soon will be finished so this would be for the 2021 audit. General Manager stated, I think it is a good idea too, I would like to see what else is out there. Is there any preference as to whether or not we keep it local, maybe within Shasta County or is there preference to search outside of Shasta County or does that make a difference to anyone? Vice Chairman Fust advised that he had a question about that. Is there some legal reason why we have to open it up to anybody? Can we specifically say that we are looking for a local entity? General Manager Born stated, I do not know the answer to that, I will find out though. If I find out that it doesn't matter, let's just say it doesn't matter and you want me to search inside and outside of Shasta County is that something that people would want or not? Mr. Fust stated, open it up to anyone, any firm that does that sort of thing and the Board can come up with a scoring system that would be useful in choosing which one of the auditors to engage. A scoring system can, from what I understand in doing this sort of thing before, include a column that indicates local and a score for being local. Director Miller adds (inaudible) whoever wants to put in their RFQ and then if we chose a local person over someone outside of the area, just like we did with the SOQ with the engineering firm, it has reasons for that. Just like they are local and can interact with our staff that's a preference issue, that is not qualifications. Vice Chairman stated, right, it is a preference just like preference would be for an auditor that has done work for other water companies before. Director Bassham stated, my only concern would be, if we pick somebody from out of town what the cost would be for them to have to come here to perform their services because there will be additional charges. Should that all be included in the bid? General Manager advised, absolutely. Chairwoman Trenerry stated, that General Manger Born is going to check if we can go outside of the community. Vice Chairman Fust stated, that this is a discussion and an action item, I have a question and then I would like to make a motion. My question is to Skip, do you have a request for proposal already in place for going out for an auditor? I know we have done this before, so you probably do but I am not sure if you do. Mr. Born stated, no Irwin, not to my knowledge we do not. We have used the same auditor that we have right now for a very, very, very long time. I don't recall ever seeing a request for service from any other service but I can go through records and see if there is anything available or not. Vice Chairman Fust advised, just so you know, the ACWA has a boiler plate for proposals for auditors that you could use and then make is specific to our District. Also, California State Special District's Association also has a boiler plate for request for proposal that you could draw on to be able to modify it to our use to be able to go out for proposal for an auditor. So, there are things available for us. I would like to then make a motion that we do go out for a request for proposal for a new auditor for the Clear Creek Community Services District.

Director Engel advised that he would like to add, I think we definitely want to go with an agency that is familiar with and that has experience with small districts or special districts. So, the idea that Irwin just quoted, basing what we put out there on what is available from ACWA and or the other agencies, is a very good idea. We need people that are familiar with what it is that is important.

Vice Chairman Fust made a motion and Director Miller seconded, audience member Dennis Possehn said he would like to make a comment. Chairwoman Trenerry stated, I am sorry, we have a motion and we have to find out if it is yes or no. Mr. Fust stated, that we do not have a second yet. Director Miller advised that he had seconded the motion. Vice Chairman stated, now, at this time, if someone has a comment you could add it (inaudible). Chairwoman Trenerry advised, go head. Mr. Possehn stated, I think currently the District does a minimum standard audit and I would advise the Board to do a full audit.

Vice Chairman Fust stated, I think I forgot to mention that in my motion that it should be a request for proposal for a full audit. Director Miller seconded the motion and it was unanimously approved.

Ayes: 5 Noes:0 Absent: 0 Abstain: 0

Prop 218 Rate Increase: Vice Chairman Fust asked if he could start the discussion on this? Chairwoman Trenerry stated, Irwin, we have a letter from our lawyer, is that what you are going to be talking about? Have you received the letter? Mr. Fust stated, yes Ma'am. He goes on to say, apparently this just came in today and I do not think anybody from the community has had an opportunity to see it. Director Bassham stated, it is ok though too, it's ok that they have not had an opportunity to see it, correct? I mean we can still discuss it. Chairwoman Trenerry stated, we can talk about it but we cannot make an action item on it. Vice Chairman Fust asks, if I may madam Chairman?

Chairwoman advises go ahead. The rate proposal that was given to the Board last month and then sent to our attorney for the District in order to look at it from the point of view of being Prop 218 ok, if you will, that was sent to the attorney and we have not heard back until late yesterday. I got from Skip, the letter from the attorney and I assume that every other Board member has got the letter from the attorney. I do know that the members of the Community Advisory Committee have not had a chance to see that letter and they need to see it. If I may summarize it and maybe Skip or somebody else might jump in there. Basically, the attorney has concerns about the rate increase because obviously and something that the CAC has been dealing with, is trying to make a rate proposal that is equitable to all and that when someone pays a rate, they are paying a rate for something that they are getting the service for directly, almost directly, which of course (inaudible) you can't send a bill to everybody based up on their exact usage. The CAC came up this proposal that is an A rate and a B rate and an Ag rate that is really related to B I believe. The attorney in this letter, and I will distribute this letter to everybody at the CAC, basically the attorney in this letter has questions about whether or not the difference between the basic rate, the \$60.00 and the \$40.00, really takes into consideration the actual costs that somebody pays towards the District for the use of the District. There was the obvious problem with the first paragraph because in the first paragraph, she says and I will quote here, "the rate structure proposed allows choice between a base rate of \$40.00 with a per HCF charge of .30 cents or a base rate of \$60.00 with a per HCF charge of .80 cents". That is not correct, as you know. It is \$40.00 with an HCF charge of .80 cents and a \$60.00 base would be with an HCF charge of .30 cents. So right off the bat there is something wrong with the way she has responded to it in the first paragraph. Then she goes on down below and this is the thing that really concerns me and I will read this paragraph to you, because it is very important, she says here "I'm also concerned that we have a rate study that indicates that the fixed costs associated with the larger meters are greater than those associated with smaller meters, yet the District is proposing a fixed base rate that is the same regardless of meter size". I will stop there for a second because that is what the Community Advisory Committee has suggested. Now I will go on, "the District and the CAC may not agree with the conclusion reached by the RCAC as to what the base rate and rate per HCF should be, that document the RCAC does follow generally accepted principles for determining fixed costs associated with rate size". I take umbrage to that because what the heck is general accepted principles? I mean, just because somebody at the AWWA has suggested that we should use this as the way we go about things, does not mean it is the only way we could go about things but that is what the attorney here is trying to say. The generally accepted principle is to charge more for meters. The community here so far has rejected that and we want to go with a different kind of a rate structure. By the way, the rate structure that we have right now that we use does not meet with what she is talking about because we do not charge for larger meters. We put an acreage charge for ag and that is Prop 218 questionable, so there is something wrong with the way, in my estimation, the attorney has looked at this but that is just me. Some of the other Board members may want to comment on it. Chairwoman Trenerry questioned Mr. Fust by saying, I have a question for you. Did you come in and talk to Skip about A and B and did he not tell you that the Bureau said it is either agriculture or domestic is what we sell? So you are trying to change the wording and I think you are going to be in trouble if you change it to A and B. That is all I have to say, thank you. Vice Chairman stated, we do have an ag rate. Chairwoman stated, you do not have a domestic rate, you don't call it domestic. Mr. Fust replied by saying yes we do. Chairwoman Trenerry stated, you call it A and B, you don't call it domestic. Vice Chairman Fust advised that we do not call it domestic right now, we call it M&I so what is the difference? (inaudible) Chairwoman stated, that we have to get going and no matter what we do you are going to find something wrong with it. Until we can sit down and see each other and talk, we have to move on. We have discussed it. Vice Chairman stated, at some point during this discussion I would like to make a proposal that we do have a special meeting within the next couple of weeks and that we make it a sit down meeting at the District and everyone show up in person. (inaudible due to everyone talking at once). Director Bassham stated, if that special meeting happens, I suggest we only talk about Prop 218 and the rate structure and nothing else because we will never get through it. Director Miller adds that there might be a few questions from the audience. Chairwoman Trenerry stated, that we are going to discuss it at a later time. Vice Chairman Fust stated, I did not decide that. Director Bassham stated, you suggested it Irwin.

Director Engel stated, I have a different perspective on the letter from the attorney. I think the problem here is that we open ourselves up to potential litigation by not following the rules but I do think there should be more discussion about the letter and it should be at an open meeting where everyone has had a chance to see it so we can discuss it. What I have been hearing an awful lot of is some folks want it one way and other folks want it another way and I just don't see a lot of objectivity on that, what I do see is that I have an idea and I want to do this or I want to do that so I will request or encourage you bring your open mind to the meeting and we will discuss what the reality of the situation is and make a decision on how to move forward.

Audience member Cedric Twilight wanted to make a comment on the letter from the attorney. Chairwoman Trenerry interjected stating we will discuss it in in two weeks, we will be here all day disagreeing or agreeing with each other.

Mr. Twight goes on to say, it is typical of a lawyer to hedge and that is what she did, so its going to be becoming on you all to make a business decision regardless of the lawyer. The lawyer will never be happy. That is all.

Letters from Beverly Fickes – Personnel and Finance: Director Bassham asked what is the action that needs to happen with this first letter from the CAC. Director Miller stated that it is not from the CAC, it is from Beverly. Director Bassham asked, isn't she from the CAC? Director Miller replied, you are looking at letter G which personnel committee. It is addressed from Beverly, she is the one that is on the list from the agenda. Beverly Fickes stated, it is from the Happy Valley Community Committee. At the last meeting we discovered that there just were not any committee members from the public involved and we have been going over this at our meetings and we have a bunch of questions regarding things that we felt the personnel committee needed to look into. The other letter was also from finance. Chairwoman Trenerry stated, Beverly, I tell you what, we did get your letter and that will be the first thing that Virginia will be discussing and I know it is open to the community but we have received it and we will try to answer all of your questions. Director Bassham added we will take it under advisement. Beverly Fickes states no, it's not to answer our questions, its things that we are asking to be looked into for cost saving measures. Again in 2019 that's what the community, one of the things they asked for was to look at operational costs and cost savings that could be made. Director Bassham stated, did you know Beverly that back in 2019 we had 18 employees and Skip correct me if I am wrong, we are now down to 10 employees, so I think there is cost savings there. I do not think that we need to micromanage our employees. We have never had an issue before with these employees using company funds or property for their own personal use. (technical difficulties) Director Bassham goes on to state, just because the CAC brings something to the Board it does not mean that we have to agree with it. Director Miller and Vice Chairman Fust both advise that the letter is not from the CAC. Vice Chairman stated, that it is not from the CAC, its from a separate group. Director Bassham asks how many committees are there? Beverly Fickes stated, we are a community committee, we are not under the auspices of the Water Board. Director Bassham stated, I am going to let you know that Johanna and I will discuss the letter. We have lost 8 employees since 2019, there is a financial savings in that respect. I do not think these employees need to be micromanaged. We do not seem to have a problem with them using company property or vehicles for their own benefits. We have never had that issue. We are not going to allow the Board to spend money to micromanage little minuet things that are just natural operating expenses. I thank you for your concern, we will take it under advisement and that is all I have to say. My action is denied. Vice Chairman Fust stated, I would like to remind the Board that these standing committees and we just laid out the committees: executive committee, financial committee, legislative, personnel, the ACWA / JPIA committee, the steering committee and the agricultural committee, those committees fall under the Brown Act. That means that they have to be noticed just like a regular meeting of the Board, they have to be noticed in the newspaper, on the bulletin boards, on the website. They have to be noticed and they have to be held either in a zoom meeting or in person at the office, if necessary and the general public has a right to be there. Director Bassham stated, exactly and as soon as we decide when the meeting will happen, we would be more than happy to notify every committee out here in Happy Valley. I never said that we would not notify them.

Audience member Cedric Twight stated, I'm hearing the discussion and having read the letters, I guess I am disappointed that the public has come to the Board sharing concerns, if you listen to how Virginia responded, to me as a public member interested in the help of the District, it is disappointing to hear the dismissive nature of her response. Particularly before we go into a Prop 218 process that will rely on the confidence of the customers and their belief that there is a Board that is sympathetic to all of the concerns (inaudible). Director Bassham interjected by stating Cedric you are right and we are sympathetic to it. (in audible) you guys have done nothing but think that we have not done our jobs and let me tell you something, we dedicate a lot of our time to help with this District. This is just as important to me as it is to every other landowner out here in the Valley.

Audience member Sandy Winters commented, you are well paid for all of the work that you do on that Board and if you would think that back in August when you sent out that horrible letter on that report from RCAC, that's what started all of this. That is when we started getting all of our committee meetings going. That is when people started coming up with ideas to get the water District back into solvency and quite all of the excess spending. Yeah, right you had a lot of employees, a lot of them I do not think left on their own. (inaudible) You guys have tabled a lot of important things over the months and the years that should have been taken care of and they weren't. In my opinion the Board should start taking action for things that would benefit the District customers.

Director Miller stated, I hear where everybody is coming from on these letters and for me, as I research the Prop 218 process and I am new to this so I could be wrong, one of the standard practices, I noticed was to show and document what efforts we have made to cut costs. We can do that; we can go back with Kurt and start making a list and saying here is what we've done. As far as the feedback, we can't obviously do all of these things overnight. I recognize

from this letter that there is a lot that needs to be looked into. I would just encourage us to take this as feedback and do what we can and as to the public, I would encourage to just give us some time if we are going to look into these things, to give us some time to do it.

Audience member Beverly Fickes stated, I know in the past that on your committees that you have had, you have had so much community involvement, so I don't understand why we aren't out soliciting help for these committees. I just think we need to promote that, put it in the newsletter. Do something. There are people that are interested in being on these committees. Vice Chairman Fust replies these are standing committees of the Board. They never have in the past been committees that included community member on the committee because those community members were always invited to come to the meetings because they are Brown Act meetings and they were open to the public. When the committee meets, if persons from the public want to be there, they can be there and give their ideas because the committee that meets, the finance committee that meets does not make decisions for the board. They look at specific items, for instance the personnel committee, they look at any issues dealing with personnel and the MOU and then they make recommendations to the full Board and the full Board has to act on those recommendations. The committees don't make the decisions, the committees look at issues and hopefully with the public being there. In the past the public has not been there and that's because the public didn't want to be there I guess and whatever issues that were looked at whether it be the finance committee or personnel committee, those committees then make recommendations after they have looked at the issue to the full Board and the full Board acts on them. That is how the system works. Audience member Scott McVay stated, we understand that Irwin, when was the last time finance committee actually met though? General Manager Born advised two years ago. Chairwoman Trenerry stated, we have been going to so many different meetings. Meeting with the Government and trying to get this contract. I don't know how many hours I have spent going through the documentation and there wasn't time for me to do anything but that and trying to get you guys to realize how important it is for us to have our contract and also how important 218 is. Two times we have tried now and you have turned it down and now you have come up with all of this other stuff and you are asking Skip to spend all of this time doing when he should be spending that time doing things to make this a better Community Water District. It is very frustrating because you never come to the meetings. I have never seen you in the audience. Sandy you are the only person I have ever seen, maybe Possehn once or twice in the last 20 years. (inaudible) Director Miller stated, no meeting for two years as a finance committee, I think it would be good (inaudible). Vice Chairman Fust stated, what your hearing is people in the community think that the Board and members of the Board should spend more time with the personnel committee and with the finance committee. I would take that as a positive thing. Not a bad idea, why not meet and the finance committee meet and go over all of these things that Beverly has put forth in the letter. Earlier in this meeting we heard from Mark Engel who tried to make a good argument that it is not us and they, it is we. We are all part of that. Just take head from what the community members are saying and go through and meet as a finance committee, meet as a personnel committee and go over these things. Chairwoman Trenerry advised that is what we are going to do. We are going to try to do this more often and if it requires us to do it one a week, I will be here. Director Bassham stated ditto.

Consolidation: General Manager Born stated, the consolidation goes back to the possibility of including Igo-Ono in our service area. It has nothing to do with giving them any water because it is pretty obvious that we don't have that, especially at this point in time. They are going to have to find a way to get their water. This is a request for qualifications of the feasibility and it was a letter from the legal counsel that RCAC reached out to with GHD Engineering to start working on moving this process forward. It is just a request to review what was provided to you, the documentation that was sent from Menasian LLP. Vice Chairman Fust stated, I thought we heard from the Chairman of the Igo-Ono Community Services District last month that they are not interested at all in being part of us. General Manager Born advised yes, we did, this is just part of what RCAC is doing because they have been instructed to at least go out and seek for this RFP from the Menasian. I'm just following up. Director Miller stated that he has a few questions, is this a part of the process to get the grant funds from the State Water Resource Control Board, is that why we are going through this? General Manager explained, this will help us get to where we need to be. I really do believe that if we can find some way to make this work, it will not only benefit Clear Creek and Igo-Ono but it will benefit the filtration plant that is in need of some repairs also because it is getting old. You know, we did a restoration back in 1994 and its old, there is a lot of things that need to be replaced up there. If Igo-Ono came in then they would have to assume a portion of the responsibility like just Centerville does now. It could also give us more funds to improve the filter plant to make it able to treat that additional water that potentially could go to Igo-Ono. So, in short, yes Murray. Director Miller goes on to ask, is it in the grant process, we got the statement of qualifications from the engineer company and it mentioned a consolidation feasibility study, if you do the

consolidation feasibility study and it goes nowhere, does it jeopardize your grant or are we just checking off a box for the State? Mr. Born stated no it does not jeopardize the grant because we've already extended and told them that we are willing to look at this and determine whether it is feasible or not. At this point we do not know whether or not we can even do this. This is for determining whether or not the project is feasible. If it is feasible and if it moves forward and if everything falls into place, it could be really beneficial for us in the long run as far as improvements to the treatment process and upgrades that we need at that plant. Director Miller stated, I'm trying to grasp this in my mind, it doesn't directly tie to our grant process but it kind of does in a way as far as funds for future projects. General Manager Born stated, yeah it does. It shows the State that we are willing to try to step outside the box and if this project is feasible then we could help them because the State of California has these laws out that say every Californian has a right to a clean portable source of water, so what we are trying to do is provide that to the Igo-Ono CSD for those who want it out there. However, they are going to have to find a way to get the water. We have the means of conveyance, however, that means of conveyance needs some improvements to it. Director Miller stated, so I was talking to the Chair of their Board, it looks like he is on here and maybe he could fill us in as to what they have decided in the past and maybe some education on to what their system is like compared to ours and if it would even be compatible, so can I yield to John?

Igo-Ono Chairman John Moore stated, I am sorry I missed the first part of this conversation; I had just had to go take care of some other things and the meeting was awfully long. One thing I want to ask you before saying anything else is it possible to move the consolidation discussion more towards the beginning of the meeting rather than the end? There is a lot of discussion that goes on that pertains to just you guys and not us. General Manager advised, yes John, that is not a problem as long as the Board is ok with where I put in on the memo, there is no issues as far as I am concerned. Vice Chairman Fust stated, that he has a question, Mr. Moore, I believe you were at the last meeting, you indicated that the Igo-Ono CSD was not interested in even talking about this so why are we even talking about this? Mr. Moore stated, well from my perspective, I believe it was Skip that talked to us back in October or November and I believe we took it up at our November Board meeting and voted that we were not interested in this project. We conveyed that to Skip and then I see in reading those notes to this discussion there is this ongoing progress being made and it seems as though we weren't really aware of that and that is ok if you want to continue with your progress but we have not had one single customer request Clear Creek water or mention anything to us. Everybody that we have talked to has said they are pretty happy with what we are providing right now. Vice Chairman Fust stated, it seems to me that under those circumstances there really should not be any discussion at the Board meeting for the Clear Creek CSD on this or should there be any on the Igo-Ono CSD. General Manager respectfully interjects by saying, as far as people coming or people talking to their Board about it, maybe they haven't but they are at my door step every week asking for water. Some of the other customers that live in the Igo-Ono area that do not have a portable supply of water, that their well dried up, that their wells are contaminated, I get those people every single week from the Igo-Ono Community. Vice Chairman Fust stated, you need to tell them to go talk to John Moore. General Manager stated, I guess so, actually what we do is we will provide them with water but now that we are in a drought, typically we don't not allow water to leave the District, which means I will have to sever those small amounts of water that are going out, more than likely, to save water for those customers here in the District. The bottom line is I have had people come to me for the past 20 years looking for water in the Igo-Ono area. When the Igo-Ono school put the water line in, they did it because they had an unreliable supply, one that could not keep up with the demand, so they came to us and asked us for water. While that was going in, I got phone calls from four other people asking if they could tie into it because they do not have a decent supply of water. John is hearing one thing and then I am hearing the other side of it.

Director Miller stated that he had two questions for Skip, I mentions in these notes, which by the way I want to have zoom meeting information or how to log in or whatever once you get it. Next time I want to go to this meeting if it is a public meeting, my question is since I am not there, I do not know what these things are, it says Rodney Page discussed the RFP process and an engineering firm had been selected, who is paying for all of this leg work that is going on with the engineering firm and such? General Manager Born stated, the State of California. Mr. Miller, then further states that my next question is and I appreciate the willingness to help the Igo-Ono customers, being charitable, my main question is, this is the second time we have had this discussion about whether or not we should even be involved with this. The last time and maybe I am misunderstanding this, that if Igo-Ono is not interested then were not interested, my question would be then why have you continued going, using staff time to go to those meetings? General Manager Born replied by stating, well number one: we have not been to any meetings with them at all. I have not spent any time with this aside from the email, this most recent one with this request for qualifications from the Menasian Law Firm. I have not done anything with this. RCAC is working on this project. If you guys want me to just say pull the plug and just stop, just tell me stop, completely stop. What I got from the last meeting was that we do not have any water to give to them, which is what Irwin said, we have no water, which is

true. We don't have water but we do have means. We do have a way of conveyance to get water to them. Do you want to ignore that or not? Just say the word.

Vice Chairman Fust made a motion to stop discussing this issue at the Clear Creek Community Services Board meetings until we get direction from the Igo-Ono Community Services District Board that they are interested in pursuing a consolidation and the staff quite going to meetings. General Manager Born stated, the staff has not been to any meetings with Igo-Ono. (inaudible) Mr. Born goes on to say, if you want everything to stop I will let them know that we are done. Director Miller seconded Vice Chairman Fust's motion. General Manager asked the Chair of Igo-Ono Mr. Moore, was this an item that was put on the agenda and voted by your Board to say no to the consolidation, was this a Board decision? Mr. Moore stated, yes. General Manger thanked Mr. Moore and asked him if he could email the minutes to him. Mr. Moore advised yes. Beverly Fikes asked if Skip could post the information for the April 6th Igo-Ono Project Coordination Meeting. General Manager advises yes, absolutely.

Irwin made the motion to cease discussing consolidation with Igo-Ono CSD unless we are approached by the Igo-Ono CSD Board of Directors to talk about consolidation and that we will spend no more staff time at these meeting, Director Miller seconded the motion. Vice Chairwoman Trenerry abstained. It was voted on and approved.

Ayes: 4 Noes: 0 Absent: 0 Abstain: 1

OPERATIONS & ADMINISTRATION

STAFF REPORTS: Nothing to report

STANDING COMMITTEE REPORTS:

QUESTIONS and/or PUBLIC COMMENTS: Director Engel stated, I will take the opportunity here to let you know that I am registered to attend the JPIA Board of Directors meeting, that will be occurring on May 10th so likely I will have a report for you by May 14th. Chairwoman Trenerry asked if Director Engel was attending it in person or if it was on the phone again? Director Engel stated that it is virtual. If it was an in-person meeting, I would come to you asking for travel permission. Chairwoman Trenerry thanked Director Engel.

Vice Chairman Fust stated that he has a suggestion, we have talked about this Prop 218 and the rate increase and we have put that off for a special meeting, you as Chairperson could call a special meeting and we can't really do anything here to do a special meeting because it is not on our agenda. I would suggest that we have a special meeting on the Prop 218 rate structure on the 31st of March, which is two Wednesdays from now and you as Chairperson can call that meeting but I am making that suggestion. Direct Engel stated, we need desperately to move forward with this so pick a day and I will be there. (inaudible) Director Miller asked General Manager, would it be possible to have legal counsel at that meeting so we do not have to keep doing this email business. General Manger stated yes, I will ask legal counsel to be there.

Direct Miller stated, I have received a letter from Kaitlyn Patrick and one from the Happy Valley Community Committees, not the CAC and it is a request for evening meetings again and I saw the Facebook screen shot that had over thirty people wanting evening meetings, I just wanted to respond to it myself. I am a little bit hesitant for regular evening meetings for a few reasons but I am open to hear other points. One of the reasons why I am hesitant is here we are discussing rate increases and such and rate structures at our Community Advisory Committee and there were a few people that came but I did not see it a whole lot. Then I notice reports of the attendance of the community meeting at one point it was even going down. I am most reluctant if there is any overtime involved with having additional evening meetings or evening meetings on a regular basis, what that would do when we are talking about finances and I just want to say that I hear what people are saying but at the same time I think the decision we made before, which was to have information and special meetings in the evenings when we are discussing some of these topics is probably the most realistic option right now. I am not saying that we can not revisit this but that is where I am at right now. I just wanted to respond to those letters. Thank you. Chairwoman Trenerry stated, I agree with you Murray. Vice Chairman Fust stated, I suggest if you really have a meeting on the 31st that it be an in-person meeting in the Board room. All of the Board members agreed. Chairwoman Trenerry asked are we breaking any laws of the State if we do that? General Manager Born stated, that we will have our separation.

Cedric Twight stated, I think that an evening meeting for the 31st warrants that because we are going to be kicking around the rates. When we are at community meeting people keep bringing it up and I think by having it in the evening we can lay it to rest. So maybe that might deplore us to have an evening meeting on the 31st for the 218 rate discussion. Chairwoman Trenerry stated that we will take it under advisement.

Sandy Winters stated, all of our committees that we have had over the many, many, many years, I have been on a lot of those committees and we had a lot of people, I still have the sign up sheet for the original ag committee but each meeting we did make a report on our findings and that's where the crop reports first started coming out, was information for Andrew Russel to take to our negotiations with the Bureau. We had a lot of public action, a lot of people showed up for those meetings and put in a lot of important information, so I just wanted to make a comment on all of our committee meetings that we have had over the years and a lot of them were successful. Thank you. Chairwoman thanked Sandy and stated, I remember going to some of those meetings.

ADJOURNMENT: 11:44 AM

Submitted by,

Kristen Thomas

Johanna Trenerry, Chairwoman

Irwin Fust, Vice Chairman

Virginia Bassham, Director

Mark Engel, Director

Murray Miller, Director

ATTEST: _____
Kurt Born, General Manager